

HELM
FINANCIAL CORPORATION

OCT 19 '99

9-00AM

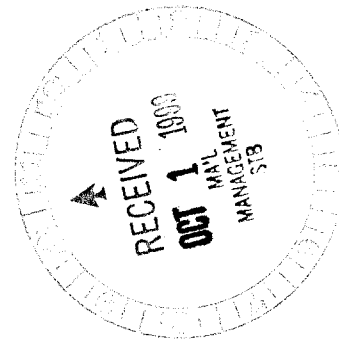
One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

September 29, 1999

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001



Dear Mr. Williams:

Enclosed are two (2) originals of the **Memorandum of Net Lease Agreement** dated as of December 16, 1998 between the following parties:

Lessor: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Lessee: The Kansas City Southern Railway Company
114 West 11th Street
Kansas City, MO 64105-1804

The equipment involved in this transaction is as follows:

Equipment: Six (6) railcars as more fully described in Schedule A to the memorandum.

Please file this memorandum as a primary document and return one (1) stamped original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Yours truly,

Alison Drain
Document Administrator

/ad

Enclosures (2)

RECORDATION NO. 22474

FILED

OCT 19 '99

9-00 AM

MEMORANDUM OF
NET LEASE AGREEMENT

THIS MEMORANDUM OF NET LEASE AGREEMENT ("Memorandum") is dated as of December 16, 1998 and is intended to evidence that certain Net Lease Agreement dated as of December 16, 1998 ("Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the rail equipment, more fully described in Schedule A hereto ("Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

HELM FINANCIAL CORPORATION

By: 

Print Name: Richard C. Kirchner

Title: President

LESSEE

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

By: 

Print Name: Steven L. Healey

Title: Vice President Transportation Services

cm

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description: Six (6), 70-ton, 2,700 c.f.c., 3-pocket, roller bearing open top hoppers.

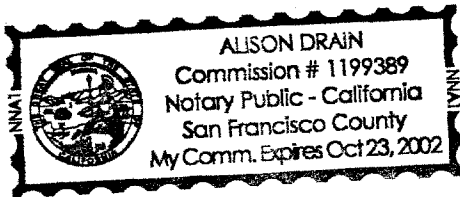
Unit Numbers: HLMX 1716, 1723, 1724, 1730, 1733 & 1740.

STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On September 20th, 1999, before me, Alison Drain, personally
appeared Richard C. Kirchner, President of HELM FINANCIAL CORPORATION,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.



Witness my hand and official seal.

Alison Drain
SIGNATURE OF THE NOTARY

[Notarial Seal]

STATE OF Missouri)
) S.S.
COUNTY OF Jackson)

On September 8, 1999, before me, Julie A. Robinson, personally
appeared Steven L. Hefley, VP-Transportation Services of
THE KANSAS CITY SOUTHERN RAILWAY COMPANY,

✓ personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.

Julie A. Robinson
SIGNATURE OF THE NOTARY

[Notarial Seal]

JULIE A. ROBINSON
Notary Public - Notary Seal
Commissioned in Jackson County
My Commission Expires July 14, 2002

all